

PUBLIC UTILITY DISTRICT NO. 1 OF GRAYS HARBOR COUNTY
Grays Harbor County, Washington
January 1, 1992 Through December 31, 1992

Schedule Of Findings

1. The District Should Comply With Bid Law Requirements

In 1992, the district purchased an IBM AS/400 minicomputer with tape drive and printer from ORCOM Systems, Inc., for a total cost of \$326,495. The district did not advertise for the purpose of calling for competitive bids for the equipment.

RCW 54.04.070 states in part:

" . . . Any item, or items of the same kind of materials, equipment, or supplies purchased, the estimated cost of which is in excess of five thousand dollars, exclusive of sales tax shall be by contract . . . Before awarding such a contract, the commission shall publish a notice once or more in a newspaper of general circulation in the district at least twenty days before the letting of the contract, inviting sealed proposals for the work or materials; plans and specifications of which shall at the time of the publication be on file at the office of the district subject to public inspection"

Without calling for competitive bids, the district cannot be assured that it received the best possible price on the equipment. Also, failing to advertise for bids does not allow all interested vendors the opportunity to submit proposals.

The district's management indicated that they had relied on representation from the vendor on the purchase of the minicomputer without inquiring if such representation was in conflict with state laws governing PUD's bid requirements.

We recommend the district follow proper bid procedures that ensure competitive bids when required by state statute.